



**Office of the Attorney General
Paul G. Summers**

NEWS RELEASE

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FOR IMMEDIATE RELEASE

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**MORE THAN 3 MILLION REFUND CHECKS TO BE DISTRIBUTED FROM
COMPACT DISC ANTITRUST SETTLEMENT**

Your check will be in the mail soon if you registered a claim in time to get a refund as a result of a price-fixing settlement with five of the largest distributors of pre-records music CDs and three of the largest retailers in the United States. A large number of schools and libraries will also be getting free CDs as part of the agreement.

Tennessee Attorney General Paul G. Summers announced today that the Settlement Administrator handling the estimated 3 million submitted claims made will mail the checks to claimants within the next two weeks. There were 32,011 claims filed in Tennessee.

"Those who filed claims in the appropriate time frame should receive a check for about \$13.86 each," Summers said. "We hope this agreement will compensate in some form those Tennesseans who paid too much for music CDs as a result of price-fixing."

The agreement stipulates the companies must not engage in sales practices that allegedly led to artificially high retail prices for music CDs and reduced retail competition and ensure strong price competition among retailers. The companies will pay \$67,375,000 in consumer compensation, charitable purposes, or some combination of both. The defendants will also provide approximately 7,000,000 music CDs (valued at \$75,500,000) for distribution by the state attorneys general to not-for-profit corporations, charitable groups and governmental entities such as schools and libraries for the benefit of all consumers in each state.

Claimants were to have filed between December 2002 and March 2003. A District Court

Judge in Maine approved the settlement on June 13, 2003. The settlement payments were delayed, however, after several appeals were filed. The claims could not be mailed until all appeals were resolved.

Tennessee, along with 41 other states and three territories filed an antitrust lawsuit in federal court in August, 2000. The lawsuit alleged the five music distributors (including their affiliated labels) and three large music retailers entered into illegal conspiracies to raise the price of pre-recorded music to consumers. The defendants in the lawsuit are music distributors Bertelsmann Music Group, Inc., EMI Music Distribution, Warner-Elektra-Atlantic Corporation, Sony Music Entertainment, Inc., Universal Music Group and national retail chains Transworld Entertainment Corporation, Tower Records, and Musicland Stores Corporation. The defendants deny these allegations.

The schools and libraries selected across the state should receive their CDs by the end of the school year. All public schools were offered the opportunity to receive CDs. Out of 136 school districts across the state, 120 districts opted in. In addition, an estimated 65 out of 108 private schools with an enrollment over 90 accepted.